

Honolulu, Hawaii

February 11, 2014

RE: H.B. No. 2323

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2323 entitled:

"A BILL FOR AN ACT RELATING TO WAGES AND HOURS ON PUBLIC WORKS LAW CONTRACTOR COMPLIANCE, "

begs leave to report as follows:

The purpose of this measure is to protect employees working on qualifying public works projects in the State by, among other things:

- (1) Specifying that the State's public works wages and hours law shall not be contravened or set aside by private agreement;
- (2) Increasing the prevailing wage penalty from \$1,000 to \$10,000 per project;
- (3) Increasing the prevailing wage penalty from \$100 to \$1,000 per day thereafter; and
- (4) Making general contractors secondarily liable for wages and penalties remaining unpaid by their subcontractors and agents 21 days after notice of violation is sent.

The Department of Accounting and General Services; Hawaii State AFL-CIO; Plumbers and Fitters United Association, Local 675; International Brotherhood of Electrical Workers, Local Union 1186;

HB2323 HD1 HSCR LAB HMS 2014-1645



and an individual provided testimony in support of this measure. The General Contractors Association of Hawaii and Building Industry Association of Hawaii provided testimony in opposition to this measure. The Department of Labor and Industrial Relations provided comments on this measure.

Your Committee notes that according to the Department of Labor and Industrial Relations, secondary liability provisions for wages and penalties are usually included in contracts with general contractors. Your Committee further notes that placing these provisions in the Hawaii Revised Statutes will make a violation of such provisions a statutory violation, which will enable the Department to have greater oversight and ability to ensure compliance with wage and hour laws.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



HSCN 343-14

Bill/Resolution No.: HB 2323		Committee Referral: LAB, FIN		Date: 2-4-14	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
LAB Members		Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)		/			
2. YAMASHITA, Kyle T. (VC)		/			
3. AQUINO, Henry J.C.					/
4. ICHIYAMA, Linda		/			
5. TAKAYAMA, Gregg		/			
6. ING, Kaniela					/
7. TAKUMI, Roy M.		/			
8. YAMANE, Ryan I.					/
9. JOHANSON, Aaron Ling			/		
TOTAL (9)		5	1	-	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center;">committee acronym(s)</div>					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					